IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD
(Special Original Jurisdiction)

THURSDAY, THE SEVENTEENTH DAY OF JUNE
TWO THOUSAND AND FOUR
PRESENT

**THE HON'BLE MR JUSTICE V.V.S.RAO**

**WRIT PETITION NO : 1664 of 1994**

Between:

1 Dakkilli Primary Agrl. Coop. Society rep.by its President P.Pulla Reddy
2 Madhavayapalem Primary Agrl. Coop. Society rep.by its President S.Venkata Subbaiah
3 Lalapeta Primary Agrl. Coop. society rep.by its President Chinna Subbaiah

**..... PETITIONERS**

AND

1 General Manager, Crop Insurance Corporation, Hyderabad
2 The State Bank of India Venkatagiri rep.by its Manager Venaktagiri, Nellore Dist

**.....RESPONDENTS**

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court will be pleased to issue a writ order or direction particularly one in the nature of mandamus, declaring the action of the respondents in insisting members of petitioners societies for payment of Crop Insurance as compulsory, is illegal, arbitrary and unconstitutional and without any jurisdiction and further direct the respondents herein to formulate an Insurance Scheme incorporating individual indemnification on account of loss ocassioned to individual and pass such other order.

**Counsel for the Petitioner: MR.P.BALAKRISHNA REDDY**

**Counsel for the Respondent : MR.DEEPAK BHATTACHARJEE**

**The Court Made the Following:**

**ORDER:**

The three petitioners herein are Primary Agricultural Cooperative Societies in Nellore District. They sanction and disburse loans to its members for agricultural purposes. In 1985-86, the Government of India introduced Comprehensive Crop Insurance Scheme 1985-86, under which all the primary societies were directed to deduct 1.5% to 3.5% premium from within the said loan amounts. Aggrieved by the same, the petitioners filed the instant writ petition seeking a declaration that the action of the respondents in insisting the deduction of premium towards crop insurance is illegal and arbitrary.

A detailed counter affidavit is filed by the first respondent justifying the collection of premium towards crop insurance. However, it is not necessary to make a detailed reference to the same in view of the settled legal position.

In Writ Petition No.11882 of 1987 and batch dated 23.08.1988, this Court uphold the Crop Insurance Scheme. Subsequently, other Hon'ble learned Judges of this Court also dismissed the similar writ petitions. A Division Bench of this Court in Writ Appeal No.346 of 1992 dated 05.02.1997 also uphold the Scheme. Further in **Andhra Pradesh Ryhtu Sangham v Union of India**[1], another Division Bench of this Court considered the earlier orders and upholds the validity of the Scheme observing thus:

> "We are of the opinion that the Scheme benefits the farmer indemnifying him against the crop loss. The amount of loan will be recovered from the insurance amount thereby a double purpose is served. The poor cultivator is indemnified against loss and the financial institutions, which are Cooperative Banks, are indemnified against loss by the General Insurance Corporation. This is a social security measure meant for the benefit of rural population and benefits only those who taken loans from the financial institutions. In other words, it is limited to the class of people who are getting subsidized loans from such institutions who themselves have

> got to be saved against ruin by general calamities affecting the area in question. Such a Scheme cannot be said to be in any manner, unreasonable or arbitrary."

In view of the judgment of the Division Bench, it cannot be said that the petitioners herein have any grievance. The Scheme is in upheld as it is benefiting to small farmers to avail subsidized loans. The writ petition is devoid of merits and is liable to be dismissed.

The writ petition is, accordingly, dismissed.

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**(V.V.S.RAO,J)**

17.06.2004
pln

ASSISTANT REGISTRAR

// TRUE COPY//

SECTION OFFICER

To

1. The General Manager, Crop Insurance Corporation, Hyderabad.
2. The Manager, State Bank of India, Venkatagiri, Nellore Dist.
3. 2 CD copies.

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[1] 2002 (2) ALD 486 (DB)